



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 23, 2000

### **H.R. 1089** **Mutual Fund Tax Awareness Act of 2000**

*As ordered reported by the House Committee on Commerce on March 15, 2000*

CBO estimates that enacting H.R. 1089 would have no impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 1089 contains no new intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

H.R. 1089 would require the Securities and Exchange Commission (SEC) to revise regulations to improve the disclosure of information on after-tax returns in investment company prospectuses or annual reports. On March 15, 2000, the SEC proposed a rule to require disclosure of the after-tax returns to investors based on a standardized formula, so the bill would not change the agency's current work plans. Because CBO expects that the rule would be implemented under current law, H.R. 1089 would not impose a new mandate on the private sector.

The CBO staff contacts are Mark Hadley (for federal costs), and Jean Wooster (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.